Saskatchewan
Learning

Saskatchewan
Teachers' Superannuation
Commission

2005 – 2006
ANNUAL REPORT

Superannuation

Group Life

Dental

2007-02365/

2005 – 2006 Annual Report

The Saskatchewan Teachers' Superannuation Commission
Room 226, 3085 Albert Street
Regina, Saskatchewan S4S 0B1

submits the:

Seventy-sixth Annual Report with respect to
The Teachers' Superannuation and Disability Benefits Act for the Year Ended June 30, 2006

Forty-sixth Annual Report with respect to
The Teachers' Life Insurance (Government Contributory) Act Chapter T-8, R.S.S. 1978
for the Year Ended August 31, 2006 and

Twenty-first Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2005

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Letter of Transmittal

The Honourable Deb Higgins
Minister in Charge,
Teachers' Superannuation Commission
Regina, Saskatchewan

Madam:

The Teachers' Superannuation Commission has the honour to submit the annual report outlining activities under *The Teachers' Superannuation and Disability Benefits Act* for the year ending June 30, 2006; *The Teachers' Life Insurance (Government Contributory) Act* for the period ending August 31, 2006 and *The Teachers' Dental Plan Act* for the period ending December 31, 2005.

Respectfully submitted,

P. J. Dickson (Mrs.)
Chairperson

Profile

The Teachers' Superannuation Commission (TSC) is established under *The Teachers' Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers' Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers' Superannuation and Disability Benefits Act*, *The Teachers' Dental Plan Act*, and *The Teachers' Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers' Federation (STF). *The Teachers' Superannuation and Disability Benefits Act* is a negotiable matter under *The Education Act, 1995*.

The Teachers' Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers Retirement Plan, for which administration has been transferred to the STF.

As at June 30, 2006, the TSF has actuarial net assets available for benefits of $1.434 billion, actuarial accrued pension benefits of $4.800 billion, and an unfunded liability of $3.366 billion.

More on-line at www.stsc.gov.sk.ca

Plan Governance At A Glance

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Teachers' Superannuation Commission

Mission

The Commission's mission is to provide pensions and benefits for plan members through prudent stewardship of assets and liabilities and effective plan administration in accordance with current legislation.

Mandate

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and related benefits to teachers. The various Acts (and regulations thereto) are:

- *The Teachers' Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the *Pension Benefits Act, 1992* except in relation to investments.

Objectives

Our specific objectives associated with this organizational mandate are:

- Communicate information and guidance to plan members
- Collect pension contributions from all participating teachers
- Accept additional contributions for the Voluntary Contributions Fund
- Calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers
- Assess, review and provide disability benefits to eligible teachers
- Monitor the performance of the pension fund investments
- Negotiate and administer reciprocal transfer agreements with other jurisdictions
- Maintain appropriate financial records of the affairs of the Plan
- Manage accurate and timely dental claims administration in conjunction with the service carrier
- Administer the insurance claims associated with death and dismemberment in conjunction with the service carrier

Governance

The Commission began and completed a governance manual in 2005/06. The manual was approved at the June 7, 2006 TSC meeting and posted on the website. The manual is the key document directing the Commission's governance activity during the year. It facilitates the planning and tracking of progress in areas such as ongoing board education, strategic planning, board-self assessment, and monitoring administration operations and management. The manual also addresses various overarching matters such as: conflict of interest, risk management, investment policy and monitoring, roles and responsibilities, and code of conduct.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of *The Teachers' Superannuation and Disability Benefits Act*, who at present is also the Minister of Learning (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister
- A Chairperson nominated by the other six members

Appointments are typically for a term of five years and are eligible for reappointment.

Lyle Vinish stepped down from the Commission at the beginning of September 2005. The Commission gratefully recognizes Lyle's seventeen year contribution.

Commission member background

Pat J. Dickson (Mrs.), B.Ed., M.Ed., P.G.D. Chairperson Former Executive Director, League of Educational Administrators, Directors and Superintendents of Saskatchewan (L.E.A.D.S) Former Director of Education, Saskatoon Board of Education	
Frances Bast, B.Admin., M. Admin., CMA Director, Legislative Services and School Administration Saskatchewan Learning	**Daryl Nordick**, B.Ed., B.A., P.G.D., M.Ed. Executive Assistant Saskatchewan Teachers' Federation
Brian Smith, B.Arts, MES Assistant Deputy Minister Saskatchewan Finance	**George Georget**, B.A., B.Ed., P.G.D. Executive Assistant Saskatchewan Teachers' Federation
Marlys Tafelmeyer, B.Comm., MHRM, CHRP, IPMA-CA Director, Human Resources Branch Saskatchewan Learning	**Shirley Humphries**, B.Sc., B.Ed., M.Ed., Ph.D. Executive Assistant Saskatchewan Teachers' Federation

	Meeting attendance	Expiration of term
Pat Dickson	6 of 7	Sep 1, 2006
Frances Bast	6 of 7	Sep 1, 2009
Daryl Nordick	6 of 7	Sep 28, 2010
Brian Smith	7 of 7	Oct 22, 2007
Shirley Humphries	7 of 7	Feb 1, 2007
Marlys Tafelmeyer	6 of 7	May 3, 2010
George Georget	5 of 7	Oct 22, 2007

Commission member role and responsibilities

- Fulfill the mission statement
- Administer the Plans in compliance with governing legislation
- Determine any question as to the application of *The Teachers' Superannuation and Disability Benefits Act*
- Review all applications for disability benefits
- Establish investment policy and monitor investment performance
- Promote awareness and understanding of the Plans
- Monitor management and administration of the Plans
- Report annually to the Minister of Finance

Administration

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

The administrative team, representing eleven individuals, are responsible for all the administrative functions that result in meeting the objectives outlined earlier and include the strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members. Refer to the governance manual for further elaboration of management's roles and responsibilities.

The administrative team also highlight certain policy decision items to the Commission members, including relevant recommendations, and respond to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the annual retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. Collaboration on these retirement oriented activities ensures the teachers of Saskatchewan have the opportunity to be informed through group and one-on-one counseling sessions.

Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. Relevant Commission members conduct formal and informal performance evaluation of management against established objectives.

The $1.3 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

Consultants

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the funds and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services. Given the specialist knowledge required in investment management, defined benefit plan valuations and calculations, and pension administration software, the TSC does engage a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown, commuted value payments, and actuarial present value for the purpose of transfer agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections.

Investment managers provide the necessary expertise in managing the pensions assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members.

Securities custody services provide third party measurement and compliance reporting.

Investment advisors assist in monitoring performance of the investment manager.

When required, legal consultation is provided by either the Department of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Specialized information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems, disability systems and backbone network systems are securely maintained.

Valuation

The Commission has historically reviewed the valuation assumptions bi-annually and does so in consultation with the actuary. The 2005 valuation, and current extrapolation, assume that the interest rate for valuation purposes be 5.6% per annum for 7 years, 5.4% per annum for the next 8 years, 5.2% per annum for next 8 years, and 5.0% per annum thereafter. The phased declining interest rate represents the increasing mix of implicit public sector debt (which has a lower cost) versus pension assets in relation to the funding status of the pension liabilities.

The financial statements in this report are based on an extrapolation of the June 30, 2005 valuation results. The total unfunded liability as at June 30, 2006 is $3.366 billion.

The government remains fully committed to meeting its legal obligation to the teachers of Saskatchewan to pay pensions in accordance with the provisions of *The Teachers' Superannuation and Disability Benefits Act*.

Investments

The segregated funds of the Teachers' Superannuation Fund assets and all of the Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by State Street Corporation, custodian of the investments on behalf of the Plan. Greystone Managed Investments Inc. is responsible for investing the funds. State Street Corporation is also the custodian for the pooled fund investments on behalf of Greystone and its sub-advisors Goldman Sachs Asset Management and Hansberger Global Investors.

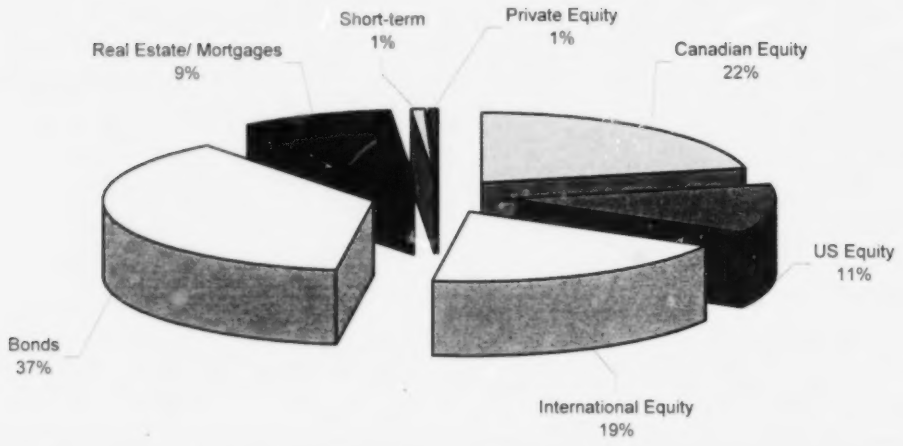
The TSC with the assistance of the investment manager, investment consultant, and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy and Objectives Statement (IP&OS) details the asset mix guidelines, and a benchmark portfolio against which the performance of the investment managers is measured. Individual asset class performance is also measured against their relevant, respective indices. The current IP&OS is posted on the website.

Short-term and long-term objectives for investment performance are outlined in the IP&OS, and active investment management has been chosen to achieve these results. The short-term objective is to achieve a total fund return in three out of four years of 1% above the 91-day Treasury Bill return. The relative long-term objective is to achieve a total rate of return 10% greater than the respective benchmark portfolio return for the respective fund.

IP&OS asset mix guidelines for the TSF as at June 30, 2006

	Minimum %	Maximum %
Canadian Equities, Large Cap	10	25
Canadian Equities, Small Cap	0	10
Total Canadian Equities	***10***	***35***
U.S. Equities, Large Cap (Unhedged)	0	15
U.S. Equities, Small/Mid Cap (Unhedged)	0	6
International Equities (Unhedged)	0	30
Total Foreign Equities	***0***	***35***
Private Equity	0	7
Total Equities	***30***	***60***
Nominal Bonds and Short Term	30	60
Real Return Bonds	0	5
Mortgages	0	5
Total Fixed Income	***30***	***60***
Real Estate	0	12

TSF portfolio asset mix at June 30, 2006



TSF Rates of Return – Periods to June 30, 2006						
	1 Year		4 Years		10 Years	
Asset Class	Return	Benchmark	Return	Benchmark	Return	Benchmark
	%	%	%	%	%	%
Canadian Equity	21.4	19.6	16.0	15.1	17.0	10.6
U.S. Equity	-2.0	-1.2	1.2	0.3	6.4	6.2
International Equity	14.7	14.9	6.1	6.8	4.4	4.2
Bonds	-1.2	-0.7	6.5	6.3	7.7	7.3
Real Estate	28.8	n/a	17.8	n/a	14.4	n/a
Total Fund	8.6	7.8	9.3	8.2	10.1	8.2

As part of the annual review of the IP&OS, the TSC's investment consultant undertook a Long-Term Asset Study that evaluates the risk and return profile for a large number of portfolio scenarios. A key aspect of risk is managed through adequate portfolio diversification. Working in conjunction with the asset manager, investment consultants and actuary, the desired risk-adjusted return is established.

Pension Administration Systems

The pension administration software is crucial for the tracking of service, contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, upgrades to the administration software took place to ensure the underlying operating systems are actively supported by the various providers, and to permit increases in capacity and web-accessibility in the future. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity.

The Commission contracts with two long-term outside information technology providers. These two service providers possess the current and specific competencies needed to manage the risks effectively.

Risk Management

There are a number of risks pertaining to pension plan administration. The TSC, as part of governance processes, is developing an integrated risk management framework whereby key risks are identified, along with identification of how risks will be managed and who is responsible. The outcome of this approach is to provide more cost-effective management of risk and to create opportunities to add value.

Communication

Timely and transparent communications are an essential element of good pension governance. The TSC strives to achieve effective communication with its teacher members.

Recent Federal and Provincial legislation in the area of privacy along with the implementation of a new Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns. This privacy legislation is impacting communication not only in relation to what types of information is communicated from the pension plan, but also in assessing what we collect directly from members.

In addition to this annual report and the annual statements to members, the TSC website and email have become increasingly important as the preferred tools of communication and information exchange. The website provides considerable information:

- Downloadable forms for Dental, Group Insurance, Disability, Reciprocal Transfers, personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, Disability and Group Insurance
- Various legislative Acts and Regulations administered by the Commission
- Policies and responsibilities adhered to by the Commission
- Actuarial valuation reports
- Financial projection
- Recent annual reports and annual statement letters
- Contact information
- Governance manual
- Investment Policy & Objective Statement

More on-line at www.stsc.gov.sk.ca

Organization

The Commission acknowledges with sincere appreciation, the administrative team, whose efforts resulted in another successful year of service to the membership.

The Commission also expresses its appreciation to the Saskatchewan Teachers' Federation, the school boards and regional colleges, and the administrative staff within Saskatchewan Learning for their respective contributions to the success of the Commission.

Teachers' Superannuation Plan

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980 when Government began to address the growing unfunded liability. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. The Annuity Plan later became the Saskatchewan Teachers Retirement Plan (STRP).

Highlights

As at June 30	2006	2005
Active Members	3,124	3,538
Inactive Members	4,965	5,224
Pensioners/Survivors	10,130	9,917
Disability Recipients	315	324
July 1 Retirements	217	253
Total Members	18,751	19,256

From July 1, 2005 to June 30, 2006 a total of 423 (previous year 453) new allowances were granted.

On January 1, 2006 a Cost of Living Allowance increase of 1.8% (previous year 1.4%) was applied to pension allowances and disability benefits.

The investment earnings of 10.67% (previous year 7.85%) were credited to teachers in the Teachers' Superannuation Fund. A four-year rolling average rate is used for the purpose of crediting interest to teacher accounts. This process is in place to protect all participants from the wide variations in the rate of return.

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions.

The investment earnings of 6.12% (previous year 14.816%) were credited to the Voluntary Contributions Fund. There are 129 members with contributions in the Voluntary Contributions Fund. No interest smoothing is applied to the Voluntary Contributions Fund.

Teachers' Group Life Insurance Plan

Legislation was introduced September 1, 1960 to provide group life insurance coverage for Saskatchewan teachers. The Minister of Finance is responsible for 50% of the premium to provide each teacher with the coverage as set out in the Provincial Collective Bargaining Agreement. The coverage for term and accidental death and dismemberment in 2005-06 was $138,000.

Highlights

As at August 31	2006		2005	
	$	No.	$	No.
Number of teachers		18,923		18,678
Total amount of insurance in force	$2,430,593,000		$2,312,375,600	
Premiums Paid:				
Minister of Finance	$ 1,601,065		$ 1,526,409	
Teachers	2,861,718		2,709,896	
Total Premiums Paid	$ 4,462,783		$ 4,236,305	
Number of Death Claims		44		32
Amount of Death Claims	$ 3,736,200		$ 2,953,600	
Reserve per agreement with insurance carrier	$ 262,328		$ 244,975	
Sums paid for the conversion of insurance	$ 10,054		$ 2,060	
Sums withheld from school grants	Nil		Nil	
Insurance company operating costs	$ 204,348		$ 184,062	

Teachers' Dental Plan

A dental plan was implemented effective January 1, 1986 for Saskatchewan teachers. The Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the Teachers' Dental Plan.

Highlights

49,811 dental claims were processed.

The province paid $8,197,117 for dental benefits.

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Teachers' Superannuation Commission Management Report, 2006

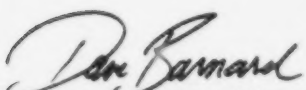
The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

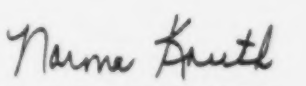
The accrued pension benefits are determined by an actuarial valuation. Actuarial valuation reports require best judgement in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2005 valuation and the extrapolation of the valuation results to June 30, 2006, appears on page 16.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 17.

The financial statements have been examined and approved by the Commission.



David Barnard,CFA,CMA,CA
Executive Director



Norma Knuth,CMA,CEBS
Manager, Financial Operations

Regina, Saskatchewan
August 28, 2006

Actuary's Opinion

Aon Consulting Inc. was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform actuarial valuations of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan and the Saskatchewan Teachers' Disability Benefits Plan (the "Plans") on an accounting basis as at June 30, 2005. Aon Consulting Inc. was further retained to prepare extrapolations of the valuation results to June 30, 2006 for inclusion in the Annual Report with respect to *The Teachers' Superannuation and Disability Benefits Act* for the Year Ended June 30, 2006.

The valuation and extrapolation of the Plans' actuarial assets and liabilities were based on:

- Membership and asset data provided by the Commission as at June 30, 2005;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Consulting Inc. and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plans' financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plans' future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plans.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation and the extrapolation. We also believe that the methods employed in the valuation and extrapolation and the assumptions used are, in aggregate, appropriate. Our opinions have been given, and our valuation and extrapolation have been performed in accordance with accepted actuarial practice.

Wayne R. Berney
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

Paul Hebert
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

August 28, 2006

Auditor's Report To The Members Of The Legislative Assembly

I have audited the statement of net assets available for benefits and accrued pension benefits and unfunded liability of the Teachers' Superannuation Plan as at June 30, 2006 and the statements of changes in net assets available for benefits, and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits and accrued pension benefits and unfunded liability of the Plan as at June 30, 2006 and the changes in the net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 28, 2006

Fred Wendel,CMA,CA
Provincial Auditor

Statement 1
Teachers' Superannuation Plan
Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Unfunded Liability
As at June 30

	2006			2005		
	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)
ASSETS						
Due from General Revenue Fund (Note 3)	$ 88	$ 39	$ 127	$ 36	$ 10	$ 46
Accrued investment income	5,456	1	5,457	5,200	-	5,200
Investments (Note 4)						
Bonds and debentures	607,516	-	607,516	607,010	-	607,010
Short-term	14,541	-	14,541	24,115	-	24,115
Equities	471,886	-	471,886	602,392	-	602,392
Pooled Funds	384,797	3,551	388,348	313,411	3,659	317,070
Mortgages	1,169	-	1,169	1,228	-	1,228
Real estate	151,560	-	151,560	134,599	-	134,599
Private equity	10,524	-	10,524	-	-	-
	1,647,537	3,591	1,651,128	1,687,991	3,669	1,691,660
Contributions receivable						
Teachers	1,181	-	1,181	1,623	-	1,623
General Revenue Fund	14,132	-	14,132	7,358	-	7,358
	15,313	-	15,313	8,981	-	8,981
Total assets	$ 1,662,850	$ 3,591	$ 1,666,441	$ 1,696,972	$ 3,669	$ 1,700,641
LIABILITIES						
Accounts payable						
Other	$ 355	$ 1	$ 356	$ 631	$ 1	$ 632
Total liabilities	355	1	356	631	1	632
Net assets available for benefits	1,662,495	3,590	1,666,085	1,696,341	3,668	1,700,009
Actuarial asset value adjustment	(228,401)	-	(228,401)	(125,475)	-	(125,475)
Actuarial value of net assets available for benefits	1,434,094	3,590	1,437,684	1,570,866	3,668	1,574,534
Actuarial accrued pension benefits (Statement 3)	4,800,550	3,590	4,804,140	4,745,024	3,668	4,748,692
Unfunded Liability	$ 3,366,456	$ -	$ 3,366,456	$ 3,174,158	$ -	$ 3,174,158

(See accompanying notes to the financial statements)

Statement 2
Teachers' Superannuation Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended June 30

	2006			2005		
	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)
INCREASE IN ASSETS:						
Investment Income:						
Interest	$ 36,014	$ 113	$ 36,127	$ 35,586	$ 107	$ 35,693
Dividends	20,947	62	21,009	21,319	23	21,342
Total investment income	56,961	175	57,136	56,905	130	57,035
Increase in market values of investments	83,583	39	83,622	154,612	345	154,957
Contributions:						
- General Revenue Fund other contributions	71,174	-	71,174	72,519	-	72,519
- Teachers	13,495	102	13,597	14,932	110	15,042
- General Revenue Fund matching contributions	13,452	-	13,452	14,861	-	14,861
- Other transfers and contributions	2,637	-	2,637	3,143	-	3,143
Total contributions	100,758	102	100,860	105,455	110	105,565
Total increase in assets	$ 241,302	$ 316	$ 241,618	$ 316,972	$ 585	$ 317,557
DECREASE IN ASSETS:						
Marriage breakdown payments	$ 1,391	$ -	$ 1,391	$ 1,107	$ -	$ 1,107
Allowances to superannuates	262,518	-	262,518	251,146	-	251,146
Refunds and transfers	7,819	388	8,207	7,642	162	7,804
Investment expenses (Note 7)	3,420	6	3,426	3,166	6	3,172
Total decrease in assets	$ 275,148	$ 394	$ 275,542	$ 263,061	$ 168	$ 263,229
Increase (decrease) in net assets	(33,846)	(78)	(33,924)	53,911	417	54,328
Net assets available for benefits, beginning of year	1,696,341	3,668	1,700,009	1,642,430	3,251	1,645,681
Net assets available for benefits, end of year	$ 1,662,495	$ 3,590	$ 1,666,085	$ 1,696,341	$ 3,668	$ 1,700,009

(See accompanying notes to the financial statements)

Statement 3
Teachers' Superannuation Plan
Statement of Changes in Accrued Pension Benefits
For the Year Ended June 30

	2006	2005
	Superannuation Fund (Note 8) ($000s)	Superannuation Fund (Note 8) ($000s)
Accrued pension benefits, beginning of year	$ 4,745,024	$ 4,111,528
INCREASE IN ACCRUED PENSION BENEFITS:		
Interest on accrued benefits	266,270	287,807
Benefits accrued	58,802	55,364
Impact of plan experience	9,791	-
Impact of assumption changes	-	559,316
	334,863	902,487
DECREASE IN ACCRUED PENSION BENEFITS:		
Benefits paid	279,337	268,991
Accrued pension benefits, end of year	$ 4,800,550	$ 4,745,024

(See accompanying notes to the financial statements)

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for a defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of Plan

The following description is a summary only. For more complete information, reference should be made to *The Teachers' Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Government's General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year. These amounts do not include disability benefit payments.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither a spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teacher's contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in market value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments as at June 30, 2006.

Short-term investments are recorded at market values.

Mortgages are recorded at fair value. Fair value is determined by discounting the present value of all income streams accruing to the mortgage. The interest rate applied to these income streams reflects the current market rate for comparable mortgages. Real Estate and Private Equity are recorded at fair value as estimated by independent appraisals.

The fair value of the investments approximates the market value.

b) Actuarial Asset Value Adjustment

The actuarial value of net assets available for benefits is determined by reference to market trends consistent with assumptions underlying the valuation of accrued pension benefits. The actuarial asset value adjustment represents the difference between the actual and management's best estimate of return on the Superannuation Fund amortized over four years. Using this adjustment, fair value remains the underlying basis for asset valuation, but fluctuations are averaged over a four-year period. For years in between valuations, the actuarial asset value adjustment is extrapolated.

3. Due From General Revenue Fund

The Plan's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Funds' share of this interest is allocated and paid by the GRF on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2006 was 3.20% (2005 - 2.31%).

4. Investments

Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The Commission's strategy is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian and foreign equities, pooled funds, money market securities, bonds, mortgages and real estate. The Plan's investments are exposed to the following risks:

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates. Interest rate risk is managed by investing in bonds and debentures with varying durations.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Commission limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard & Poor's Ratings Service.

c) Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments.

d) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

e) Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Fund's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the book value of the Fund's portfolio.

Short-term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 4.01% to 4.76% (2005 - 2.48% to 3.03%) and a weighted average term to maturity of 50 days (2005 - 53 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits for this Fund its investment concentration in any one investee or related group to no more than 10% of that corporation's book value of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below.

		2006			2005		
	Years to Maturity	Market Value ($000s)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Market Value ($000s)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds							
Government of Canada	1-5	$ 80,837	4.56	4.03	$ 231,663	3.01	3.46
	6-10	141,720	4.62	4.18	32,290	5.06	4.15
	20+	95,419	4.59	5.38	69,522	4.21	5.75
Provincial & Provincially	1-5	19,930	4.67	6.08	18,736	3.31	5.57
Guaranteed Bonds	6-10	45,630	4.85	4.83	44,131	3.80	5.11
Other Provinces	11-15	16,882	4.99	5.34	24,541	4.26	5.38
	16-20	16,538	4.99	6.93	-	-	-
	20+	49,215	5.13	5.96	42,262	4.67	5.91
Saskatchewan	20+	10,355	5.08	6.16	11,117	4.60	6.16
Municipal	20+	2,787	5.23	5.90	2,973	4.79	5.90
Corporate Bonds	1-5	57,916	4.83	5.08	53,761	3.20	4.63
	6-10	23,970	5.09	4.81	52,259	4.01	5.73
	11-15	19,657	5.17	5.24	4,663	4.18	5.45
	16-20	6,958	5.56	7.68	4,272	4.61	7.18
	20+	19,702	5.35	5.97	14,820	5.40	6.74
		$ 607,516			$ 607,010		

These bonds all meet the minimum quality standard of a BBB rating as measured by a recognized credit rating service. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

		2006	2005
		(market values) ($000s)	
Common shares			
	Canadian	$ 354,969	$ 487,174
	Foreign	116,917	115,218
		$ 471,886	$ 602,392

The Plan's investment policy limits for this Fund any holding to represent no more than 10% of the outstanding shares of the issuing corporation. Foreign equities and pooled funds are denominated in Canadian dollars. The Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 1.75% (2005 – 1.67%).

Pooled Funds

The Fund holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the fund manager. The Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2006	2005	2006	2005	2006	2005	2006	2005
	(000s)				($000s)		($000s)	
Greystone EAFE Plus Fund	29,868	20,710	21.59	18.33	$ 314,209	$ 194,215	$ 28,870	$ 8,335
Greystone US Strategic Growth Fund	2,323	3,418	36.80	54.60	23,020	35,709	65	(2,539)
Greystone US Strategic Value Fund	2,259	3,652	36.72	49.47	24,470	41,619	1,746	955
Greystone US Midcap Growth Equity Fund	2,127	3,494	15.80	24.72	23,098	41,868	865	(296)
					$ 384,797	$ 313,411	$ 31,546	$ 6,455

Mortgages

Investments in mortgages consist of Canadian properties. The net yield at the time of commitment is expected to exceed the yield on "A" rated bonds of similar terms by a minimum of 1.5% after administration fees. Principal and interest are received on a monthly basis.

Real Estate

Investments in real estate consist of Canadian property. Included in real estate are investments in related real estate corporations (see Note 7).

Private Equity

The Fund committed US$36 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund, L.P. representing US$437 million in total partnership commitments. GE Pension Trust represents 50% of committed and invested funds with the fifteen Limited Partners representing the remaining 50%. The purpose of the Partnership is to invest in, purchase and sell primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The

private placements would be those of companies located and doing a substantial portion of their business outside of the United States. The Fund has 8.2404% of the committed and invested funds. As of June 30, 2006, the total value of the GEAM International Private Equity Fund, L.P. was $127 million and the Plan's share was $10.5 million. The Executive Director of the TSC is a member of the GEAM International Private Equity Fund, L.P. Advisory Board. The advisory board does not participate in the management or control of the partnership and advisory board recommendations are not binding on the partnership.

Voluntary Contributions Fund

Pooled Funds

The Plan holds for the Voluntary Contributions Fund units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager. The Fund's unit holdings are:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2006	2005	2006	2005	2006	2005	2006	2005
	(000s)				($000s)		($000s)	
Greystone EAFE Plus Fund	19	18	0.01	0.02	$ 201	$ 167	$ 26	$ 6
Greystone Canadian Fixed Income Fund	169	173	0.47	0.90	1,684	1,856	(20)	206
Greystone Canadian Equity Fund	37	47	0.12	0.22	1,058	1,181	201	250
Greystone US Equities Pooled Fund	18	21	0.20	0.63	194	232	(5)	8
Greystone Money Market Fund	41	22	0.01	0.25	414	223	10	5
					$ 3,551	$ 3,659	$ 212	$ 475

5. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in market values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year. The investment earnings rate was 10.67% (2005 – 7.85%) for the year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment earnings less investment expenses of $207,961 to teachers' accounts (2005 - $469,299).

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated for the Department of Learning by the Legislature. Accordingly, no provision for these costs is included in the financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are to be paid directly by each fund. The annual expenses for custodial fees and investment management fees paid to RBC Dexia Investor Services Inc. (prior to March 1, 2006), State Street Corporation (post February 28, 2006), and Greystone Managed Investments Inc., respectively are as follows:

	2006			2005		
	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)
Custodial fees	$ 90	$ 3	$ 93	$ 104	$ 3	$ 107
Investment and asset management fees	3,330	3	3,333	3,062	3	3,065
	$ 3,420	$ 6	$ 3,426	$ 3,166	$ 6	$ 3,172

b) Investment Management Services

Greystone Managed Investments Inc. (GMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Teachers' Superannuation Fund is a shareholder in GMI. The Teachers' Superannuation Fund holds 223,811 common shares (2005 – 223,811 common shares) representing 13.63% of the total shares outstanding in GMI (2005 – 13.89%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $10,355,352 (2005 - $11,117,029) and loss of income including change in market value of $209,005 (2005 – income of $2,111,391). In addition, included in the totals for bonds and debentures and income are Greystone Capital Management Inc. holdings of $400,000 (2005 - $600,000) and income including change in market value of $18,507 (2005 - $46,430).

Included in the total real estate investment at year-end are SaskPen Properties Ltd. holdings of $4,581,091 (2005 - $3,641,256) and income including change in market value of $925,159 (2005 - $294,034). SaskPen Properties Ltd. is a real estate corporation owned by Government of Saskatchewan managed public sector pension plans.

Other transactions with related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

8. Actuarial Valuation - Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. Aon Consulting Inc. prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2005, and an extrapolation was made to June 30, 2006.

The pension liability is based on a number of assumptions about future events including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2006	2005
▪ salary increases	2% for 2006, 3.5% thereafter	2% for 2005 and 2006, 3.5% thereafter
▪ interest rate	5.6% / year for 7 years, 5.4% / year for the next 8 years, 5.2% / year for next 8 years, and 5.0% / year thereafter	5.6% / year for 8 years, 5.4% / year for the next 8 years, 5.2% / year for next 8 years, and 5.0% / year thereafter
▪ inflation	2.5%	2.5%

The impact of plan experience of $10 million is made up of increases to accrued pension benefits from assumption changes to interest rate, inflation, salary, termination rates and retirement rates being higher than expected by $18 million, loss from retirement experience of $41 million, and mortality, indexation and other experience gains of $49 million.

The following illustrates the effect of changing certain assumptions from the assumed rates. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, is affected by other assumptions that have an inflation component. In the scenario of the 1% change in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also changed by 1%.

Effect on Liability	Long-term assumptions					
	Salary		Interest rates		Inflation	
	2.5%	4.5%	4.6%-4.0%	6.6%-6%	1.5%	3.5%
Increase (decrease) ($000s)	$(17,947)	$18,712	$608,884	$(498,820)	$124,822	$(118,080)

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Teachers' Superannuation Commission. The Commission reviews the investment performance of the Funds in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance

objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance, which assume a full allocation of realized and unrealized gains and losses:

	2006 annual return	Rolling four-year average annual return
Teachers' Superannuation Fund [1]	8.6%	9.3%
Target rate of return [2]	8.6%	9.0%
Voluntary Contributions Fund[1]	6.0%	8.6%
Target rate of return [2]	7.0%	9.2%

[1] The annual returns are before deducting investment expenses

[2] The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the weighted actual returns of certain market indices (for example - TSX total return, Scotia Capital Universe Bond Total Return Index, etc.)

10. Disability Benefits

The annual amount of disability benefits is payable to a teacher who:

- is disabled because of total physical or mental incapacity for teaching;
- has 10 years of service;
- has at least three years of service in the five years preceding disablement; and
- has not attained age 65.

The annual amount of disability benefits is determined by applying the regular pension allowance formula. The disability benefits are indexed each January 1 by 80% of the increase in the Consumer Price Index.

Payments may be discontinued or reduced on recovery or re-employment. The allowance is recalculated at age 65 to include service while on the Saskatchewan Teachers' Federation Income Continuance Plan.

Section 38(2) of the Act states the disability benefits are a charge on and payable out of the GRF. The $5,842,081 (2005 - $5,974,978) in disability benefits flowed through the Teachers' Superannuation Fund for administrative purposes only and is not reflected in these financial statements. The GRF provided contributions equal to the disability benefits.

Disability Benefits - Actuarial Valuation

The present value of accrued disability benefits was determined using the projected benefit method prorated on services and the best estimate assumptions approved by the Teachers' Superannuation Commission. Aon Consulting Inc. prepared an actuarial valuation of the Teachers' Disability Benefits Plan as at June 30, 2005, and an extrapolation was made to June 30, 2006.

The actuarial present value of benefits as at June 30, 2006 and the principal components of change in actuarial present values during the year were as follows:

	2006 ($000s)	2005 ($000s)
Actuarial present value of accrued disability benefits, beginning of year	$ 40,329	$ 42,512
INCREASE IN ACCRUED DISABILITY BENEFITS:		
Interest on accrued benefits	2,157	2,976
Benefits accrued	415	615
Impact of assumption changes	-	410
	2,572	4,001
DECREASE IN ACCRUED DISABILITY BENEFITS:		
Net experience	1,811	-
Benefits paid	6,006	6,184
	7,817	6,184
Actuarial present value of accrued disability benefits, end of year	35,084	40,329
Unfunded liability	$ 35,084	$ 40,329

The net experience resulted from $6.6M increase in liabilities due to new disabilities offset mainly by gains from mortality, termination and recovery experience of plan members.

The disability liability is based on a number of assumptions about future events, including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued disability benefits were the same as for determining the accrued pension benefits (see Note 8).

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.5%, interest 5.6% and inflation 2.5%.

Effect on Liability	Long-term assumptions					
	Salary		Interest rates		Inflation	
	2.5%	4.5%	4.6%-4.0%	6.6%-6%	1.5%	3.5%
Increase (decrease) ($000s)	$(123)	$127	$1,427	$(1,331)	$475	$(460)

The disability liability is long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value for the disability liability is not practicable.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2036. The cash required will be funded from the proceeds of disposals of investments for the period 2006 to 2030. The forecast of cash inflows and outflows have been determined using the long-term assumptions used in the June 30, 2005 valuation. All amounts shown are based on actual dollar forecasts.

	Cash inflows				
	Teachers Contributions ($000s)	GRF Contributions ($000s)	Investment Income ($000s)	Cash Outflows ($000s)	Cash Required ($000s)
2006-07	$ 10,763	$ 63,384	$ 100,159	$ 296,560	$ 122,254
2007-08	9,259	68,812	91,677	307,417	137,669
2008-09	7,663	73,088	82,129	317,785	154,905
2009-10	6,037	90,594	71,844	328,506	160,031
2010-11	4,575	134,589	62,184	336,624	135,276
Total within 5 years	$ 38,297	$ 430,467	$ 407,993	$ 1,586,892	$ 710,135
Total 6 to 10 years	$ 10,762	$ 1,161,271	$ 227,713	$ 1,713,135	$ 313,389
Total 11 to 30 years	$ 1,728	$ 4,818,532	$ 337,178	$ 5,727,144	$ 569,706

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- Accounts Payable

For investments, fair values are considered to be market value, the calculation of which is described in Note 2.

The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

Schedule 1
Teachers' Superannuation Fund
Schedule of Investments and Accrued Interest As At June 30 (unaudited)

	2006		2005	
	Total Valued At Market ($000s)	Accrued Interest ($000s)	Total Valued At Market ($000s)	Accrued Interest ($000s)
Canada And Canada Guaranteed	$ 317,976	$ 1,901	$ 333,475	$ 1,930
Provincial and Provincially Guaranteed	161,338	1,278	140,787	995
Urban Municipalities and Hospitals	2,787	12	2,973	11
Corporate Debentures	125,415	1,247	129,775	1,194
Corporate Shares	471,886	969	602,392	941
Pooled Funds	384,797	--	313,411	--
Insured Mortgages - Principal and Real Estate	152,729	4	135,827	4
Short Term	14,541	45	24,115	125
Private Equity	10,524	--	--	--
Total	**$ 1,641,993**	**$ 5,456**	**$ 1,682,755**	**$ 5,200**

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
Debentures:			
Government of Canada	Jun. 01, 2007	3.00	209,991,735
Government of Canada	Dec. 01, 2007	2.75	129,949,392
Government of Canada	Sep. 01, 2009	4.25	37,397,901
Government of Canada	Sep. 01, 2010	4.00	183,208,991
Government of Canada	Jun. 01, 2013	5.25	2,290,125
Government of Canada	Jun. 01, 2015	4.50	179,752,803
Government of Canada	Jun. 01, 2016	4.00	132,650,028
Government of Canada	Jun. 01, 2033	5.75	108,922,258
Government of Canada	Jun. 01, 2037	5.00	57,316,022
Alberta Capital Finance Authority	Dec. 15, 2011	4.44	1,398,751
Alberta Capital Finance Authority	Dec. 15, 2025	4.45	6,437,058
Bank of Montreal	Mar. 14, 2013	4.65	2,300,918
Bank of Montreal	Apr. 21, 2016	Floating	2,000,000
Bank of Nova Scotia	Apr. 07, 2008	4.26	2,979,000
Bank of Nova Scotia	Jul. 22, 2008	Floating	2,842,969
Bank of Nova Scotia	Feb. 18, 2010	3.93	5,133,836
BC Provincial Mountain	Dec. 18, 2015	5.15	3,815,352
Canada Housing Trust	Sep. 15, 2007	5.10	56,697,084
Canada Housing Trust	Mar. 15, 2008	4.40	32,619,962
Canada Housing Trust	Mar. 15, 2010	Floating	6,230,846
Canada Housing Trust	Sep. 15, 2010	Floating	51,379,771
Canada Housing Trust	Mar. 15, 2011	4.05	49,181,433
Canada Housing Trust	Sep. 15, 2011	4.60	37,005,665
Cards II Trust	Oct. 15, 2009	4.38	1,621,736
Cards II Trust	Oct. 15, 2010	3.87	4,375,000
CMHC	Feb. 01, 2016	4.25	11,485,619
CIBC	Sep. 09, 2010	3.75	5,215,409
CIBC	Mar. 28, 2011	4.55	4,472,877
Citigroup Financial Cda	Sep. 22, 2008	3.49	3,729,671
Citigroup Financial Cda	Dec. 12, 2008	4.11	3,492,227
Citigroup Financial Cda	Feb. 03, 2011	4.37	1,633,755
Epcor Utilities	Nov. 16, 2035	5.65	1,826,945
Financement Quebec	Dec. 01, 2011	5.25	2,317,281
Financement Quebec	Dec. 01, 2015	6.25	2,289,670
GE Capital Funding	Jun. 07, 2010	3.65	871,055
GE Capital Funding	Feb. 07, 2011	4.40	3,528,397
GE Capital Funding	Oct. 23, 2009	5.65	1,779,659
Genesis Trust	Mar. 15, 2010	4.00	891,412
Goldman Sachs Group	Jun. 01, 2016	5.25	5,042,624
Greater Toronto Airports	Jun. 02, 2008	5.17	1,402,781
HSBC Finance	May 3, 2010	4.00	1,535,046
Met Life Global	May 30, 2013	4.85	2,145,991
National Bank of Canada	Nov. 02, 2020	4.70	5,400,898

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
New York Life	Apr. 20, 2011	4.70	1,567,655
Province of British Columbia	Aug. 23, 2013	8.50	5,662,833
Province of British Columbia	Jun. 18, 2014	5.30	1,959,519
Province of British Columbia	Aug. 23, 2022	8.75	4,975,331
Province of British Columbia	Jun. 18, 2023	8.00	6,036,335
Province of British Columbia	Jun. 18, 2029	5.70	957,000
Province of Manitoba	Jun. 03, 2013	4.25	5,300,294
Province of Manitoba	Dec. 03, 2015	5.20	4,105,767
Province of Manitoba	Nov. 15, 2018	5.50	6,257,690
Province of Manitoba	Mar. 05, 2037	5.70	3,937,159
Province of Nova Scotia	Sep. 01, 2010	6.40	7,447,011
Province of Nova Scotia	Jun. 01, 2013	4.50	2,677,330
Province of Ontario	Jan. 10, 2006	Floating	9,656,041
Province of Ontario	Mar. 08, 2014	5.00	3,426,895
Province of Ontario	Mar. 08, 2015	4.50	4,972,191
Province of Ontario	Jun. 02, 2018	5.50	2,881,424
Province of Ontario	Jun. 02, 2020	4.85	3,326,508
Province of Ontario	Jun. 02, 2031	6.20	6,732,459
Province of Ontario	Jun. 02, 2035	5.60	2,076,451
Province of Quebec	Jun. 01, 2009	5.50	810,418
Province of Quebec	Dec. 01, 2010	6.25	8,748,193
Province of Quebec	Dec. 01, 2015	5.00	6,389,417
Province of Quebec	Jun. 01, 2032	6.25	694,485
Province of Quebec	Dec. 01, 2036	5.75	6,300,895
Royal Bank of Canada	Jan. 20, 2014	5.00	2,346,030
Royal Bank of Canada	Nov. 04, 2018	5.45	2,420,927
Sun Life Financial Inc.	Nov. 23, 2015	4.80	5,190,662
Sun Life Financial Inc.	Jun. 1, 2016	4.95	2,303,099
Toronto Dominion Bank	Jan. 18, 2011	4.32	2,886,000
Toronto Dominion Bank	Jun. 03, 2013	5.69	2,645,296
Toronto Dominion Bank	Sep. 05, 2013	4.54	3,182,068
Toronto Dominion Bank	Oct. 30, 2015	4.97	2,512,642
Wells Fargo Financial Cda	Dec. 12, 2012	4.40	1,763,182
Shares:			
Alcan Inc.		--	5,227,464
Alliant Technology Systems		--	80,001
Aliment Couche-Tard		--	7,575,200
Amgen Inc.		--	1,324,714
Apache Corp.		--	796,712
ATI Technologies Inc.		--	95,454
Bank of America Corporation		--	2,564,476
Bank of Nova Scotia		--	567,030
Barrick Gold Corp.		--	4,208,208
Brascan Corp.		--	6,739,415

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
Brookfield Asset Mgmt.		--	568,221
Brunswick Corp.		--	238,142
Burlington Northern		--	3,531,439
Cameco Corp.		--	36,776
Canadian Imperial Bank of Commerce		--	326,585
Canadian National Railways		--	1,046,642
Canadian Natural Resources		--	330,490
Capital One Financial Co.		--	1,131,730
Caseys General Store Inc.		--	1,354,122
Caterpillar Inc.		--	3,687,310
CGI Group Inc.		--	81,824
Church & Dwight Co. Inc.		--	462,016
Cisco Systems Inc.		--	3,085,057
Citigroup Inc.		--	2,951,769
Cleveland Cliff Inc.		--	305,679
Coach Inc.		--	1,259,715
Conoco Phillips		--	668,284
Duvernay Oil Corp.		--	3,369,167
Encana Corporation		--	514,629
Ensign Energy Services		--	87,403
Exelon Corp.		--	1,220,790
Exxon Mobil Corp.		--	1,023,961
Falconbridge Ltd.		--	2,256,422
Finning International		--	141,084
First Quantum Mineral		--	3,270,211
Forest Labs Inc.		--	2,946,590
Franklin Resources Inc.		--	1,548,924
Freescale Semiconductor Inc.		--	2,417,893
GE Asset Management Inc. - Private Equity		--	13,631,847
General Electric Co.		--	973,176
Glamis Gold Ltd.		--	6,892,051
Gold Corp. Inc.		--	5,513,461
Greystone Eafe Plus Fund		--	121,088,498
Greystone US Midcap Growth		--	9,010,554
Greystone US Strategic Growth		--	9,340,908
Greystone US Strategic Value		--	8,858,761
Home Capital Group		--	4,276,328
Home Depot Inc.		--	1,179,301
Husky Energy Inc.		--	11,982,287
Ingersoll-Rand Co.		--	1,053,589
Intel Corp.		--	740,299
ITT Industry Inc.		--	747,117
Joy Global Inc.		--	333,405
KB Home		--	786,677
Lennar Corporation		--	763,801

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
Manulife Financial Corp.		--	2,473,480
Mcgraw Hill Cos. Inc.		--	3,001,544
Merrill Lynch & Co. Inc.		--	4,316,081
Microsoft Corp.		--	1,112,118
Nabors Industries Ltd.		--	911,222
National Bank of Canada		--	179,490
Occidental Pete Corp.		--	1,111,864
Omnicom Group Inc.		--	2,417,416
Pepsico Inc.		--	4,010,285
Petsmart Inc.		--	885,701
Pfizer Inc.		--	1,057,955
Phelps Dodge Corp.		--	973,364
Power Corporation of Canada		--	380,250
Praxair Inc.		--	534,070
Precision Drilling		--	7,059,719
Proctor & Gamble Co.		--	1,470,167
Qualcomm Inc.		--	358,910
Quest Diagnostics		--	1,277,543
Research In Motion		--	3,049,942
Rogers Communication		--	3,388,371
Rona Inc.		--	135,079
Royal Bank of Canada		--	543,467
Shaw Communications		--	252,986
Shoppers Drug Mart		--	2,312,815
Spectrum Brands		--	589,536
Suncor Energy Inc.		--	2,028,500
Symantec Corporation		--	664,295
Synaptics Inc.		--	86,700
Talisman Energy Inc.		--	414,042
Teck Cominco Ltd.		--	2,681,274
Telus Corp.		--	1,878,418
Texas Instruments Inc.		--	688,686
Textron Inc.		--	2,843,972
3M Company		--	1,261,562
Trican Well Service		--	3,445,100
TXU Corporation		--	2,908,743
United Health Group Inc.		--	1,973,247
US Bancorp Del.		--	877,744
Valero Energy Corp.		--	2,925,950
Ventiv Health Inc.		--	1,422,826
Wachovia Corp.		--	3,838,003
Weatherford International Ltd.		--	3,420,924
WestJet Airlines		--	82,979

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
Mortgages And Real Estate:			
Crossroads Shopping		--	185,466
410 & 7 Equities Inc.		--	1,319,021
GPMI - IPSCO, Alberta		--	892,777
GPMI - Kitchener, Ontario		--	390,601
GPMI - Milton, Ontario		--	744,704
GPMI - Mt. Lehman, British Columbia		--	477,180
GPMI - Sunrise Towne, Alberta		--	275,903
Production Court		--	68,903
Rutherford Properties Ltd.		--	590,459
Saskpen Properties		--	240,000
Shoppers World		--	366,223
Terra Losa Shopping Centre		--	789,665
Tilbury Equities		--	1,138,190
Towne & Country		--	432,633
T.V. Equities Inc.		--	1,346,002
University Equities		--	162,112
West Island Equities Inc.		--	2,201,426
Wireless Way Equities Inc.		--	649,309
Short Term:		--	640,621,356
Total			**2,495,061,043**

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
Debentures:			
Government of Canada	Jun. 01, 2007	3.00	336,364,928
Government of Canada	Dec. 01, 2007	2.75	129,816,353
Government of Canada	Sep. 01, 2009	4.25	95,770,180
Government of Canada	Sep. 01, 2010	4.00	145,529,787
Government of Canada	Jun. 01, 2013	5.25	2,290,879
Government of Canada	Jun. 01, 2015	4.50	205,080,187
Government of Canada	Jun. 01, 2016	4.00	36,089,680
Government of Canada	Jun. 01, 2033	5.75	128,363,314
Government of Canada	Jun. 01, 2037	5.00	6,838,969
Aeroports de Montreal	Oct 11, 2033	6.61	815,122
Alberta Capital Finance Authority	Dec. 02, 2013	5.00	6,311,433
Alliance Pipeline	Jun. 30, 2023	7.18	138,439
Bank of Montreal	Mar. 14, 2013	4.65	2,281,858
Bank of Nova Scotia	Jul. 22, 2008	5.65	2,779,733
BC Ferry Services Inc.	Oct. 13, 2034	6.25	1,919,461
Canada Housing Trust	Sep 15, 2007	5.10	56,176,493
Canada Housing Trust	Mar. 15, 2008	4.40	32,390,520
Canada Housing Trust	Sep 16, 2009	Floating	57,246,010
Canada Housing Trust	Mar. 15, 2010	3.75	43,718,267
Canada Housing Trust	Mar. 15, 2010	Floating	6,234,892
Canada Housing Trust	Mar. 15, 2011	4.05	1,727,271
Canadian Imperial Bank	Sep. 09, 2010	3.75	2,439,105
Canadian Imperial Bank	Dec. 22, 2014	4.75	2,345,274
Cards II Trust	Oct. 15, 2009	4.38	2,217,036
Cards II Trust	Oct. 15, 2010	3.87	4,312,537
Citigroup Financial Canada	Aug. 05, 2008	4.30	3,690,549
Citigroup Financial Canada	Sep. 22, 2008	3.49	1,412,349
CDP Financial	Jul. 14, 2008	4.20	2,335,431
Falcon Trust Commission Mtg. Srv.	Jan. 15, 2011	5.15	1,841,570
Financement Quebec	Dec. 01, 2011	5.25	2,292,138
Financement Quebec	Dec. 01, 2015	6.25	6,379,750
GE Capital Funding Co.	Jul. 24, 2007	5.30	2,806,537
GE Capital Funding Co.	Jun. 07, 2010	3.65	2,656,602
Genesis Trust	Mar. 15, 2010	4.00	3,761,626
Gloucester Credit Card Trust	May 15, 2008	4.72	3,010,338
Golden Credit Card	Oct. 15, 2008	4.16	1,999,916
Greater Toronto Airport	Dec. 03, 2007	5.95	1,410,319
Greater Toronto Airport	Feb. 02, 2034	6.47	2,053,686
Greystone Capital	Oct. 24, 2007	7.00	200,000
HSBC Finance	May 03, 2010	4.00	2,000,339
Hydro One Inc.	Jun. 23, 2008	4.00	3,133,390
Hydro One Inc.	Nov. 15, 2012	5.77	1,995,545
Loblaw Companies Ltd.	Jun. 09, 2034	6.05	1,193,668
National Bank of Canada	Dec. 22, 2014	4.93	1,334,029

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
National Bank of Canada	Nov. 02, 2020	4.70	1,740,715
Ontrea Inc.	Apr. 09, 2013	5.57	847,704
Province of British Columbia	Aug 23, 2010	6.38	5,679,479
Province of British Columbia	Aug 23, 2013	8.50	5,714,586
Province of British Columbia	Jun 18, 2014	5.30	6,141,156
Province of British Columbia	Jun. 18, 2035	5.40	3,101,420
Province of Manitoba	Dec. 03, 2013	5.05	4,060,586
Province of Manitoba	Nov. 15, 2018	5.50	5,220,426
Province of Nova Scotia	Sep. 01, 2010	6.40	2,684,867
Province of Nova Scotia	Jun. 01, 2011	6.25	1,481,903
Province of Ontario	Jan. 10, 2006	Floating	9,654,596
Province of Ontario	Dec. 02, 2012	5.38	3,381,970
Province of Ontario	Mar. 08, 2014	5.00	3,365,076
Province of Ontario	Mar. 08, 2015	4.50	9,105,038
Province of Ontario	Jun. 02, 2020	4.85	3,167,788
Province of Ontario	Mar. 08, 2029	6.50	374,937
Province of Ontario	Jun. 02, 2035	5.60	5,905,733
Province of Quebec	Jun. 01, 2009	5.50	11,772,203
Province of Quebec	Jun. 01, 2032	6.25	836,060
Royal Bank of Canada	Jun. 01, 2014	4.18	4,638,665
Scotia Bank Capital Trust	Jun. 30, 2012	6.63	2,699,204
Sun Life Assurance	Jun. 01, 2016	4.95	2,308,861
Sun Life Assurance	Nov. 23, 2015	4.80	1,739,319
Toronto Dominion Bank	Jan. 18, 2011	4.32	2,859,160
Toronto Dominion Bank	Jun. 03, 2013	5.69	2,381,164
Toronto Dominion Bank	Oct. 30, 2015	4.97	2,478,628
York Receivables Trust	Jul. 21, 2008	4.27	4,469,491
Shares:			
Alcan Inc.		--	3,577,161
Aliment Couche-Tard		--	1,481,779
Alliant Technology Systems		--	1,824,535
Amgen Inc.		--	998,270
Apache Corp.		--	257,766
ATI Technologies Inc.		--	2,007,378
Bank of America Corporation		--	4,012,053
Bank of Nova Scotia		--	14,030,586
Barrick Gold Corp.		--	3,696,863
Brookfield Asset Mgmt.		--	1,765,748
Brunswick Corp.		--	1,305,394
Burlington Northern		--	371,405
Cameco Corp.		--	11,297,899
Canadian Imperial Bank of Commerce		--	8,201,246
Canadian National Railways		--	8,768,671
Canadian Natural Resources		--	21,956,777

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
Capital One Financial Co.		--	1,013,524
Caseys General Store Inc.		--	106,172
Caterpillar Inc.		--	285,479
CGI Group Inc.		--	2,096,998
Church & Dwight Co.Inc.		--	987,345
Cisco Systems Inc.		--	246,293
Citigroup Inc.		--	2,688,350
Cleveland Cliffs Inc.		--	1,325,109
Coach Inc.		--	616,558
Conoco Phillips		--	3,730,151
Dorel Industries Inc.		--	1,739,804
Encana Corporation		--	18,515,751
Ensign Energy Services		--	101,828
Exelon Corp.		--	2,769,305
Exxon Mobil Corp.		--	1,322,738
Falconbridge Ltd.		--	9,091,875
FedEx Corporation		--	2,450,962
Finning International		--	3,460,827
Forest Labs Inc.		--	388,483
Forzani Group Ltd.		--	798,151
Franklin Resources Inc.		--	1,102,178
Freescale Semiconductor Inc.		--	335,393
GE Asset Management Inc. - Private Equity		--	2,439,716
General Electric Co.		--	356,524
Gold Corp. Inc.		--	1,489,900
Greystone EAFE Plus Fund		--	25,000,000
Greystone US Midcap Growth		--	25,515,000
Greystone US Strategic Growth		--	21,635,000
Greystone US Strategic Value		--	24,775,000
Home Capital Corp.		--	154,998
Home Depot Inc.		--	239,927
Husky Energy Inc.		--	553,387
Ingersoll-Rand Co.		--	510,487
Intel Corp.		--	2,958,487
Inventiv Health Inc.		--	112,037
ITT Corporation		--	4,230,452
Joy Global Inc.		--	5,586,687
KB Home		--	3,118,869
Lennar Corporation		--	2,684,361
Loblaw Companies Ltd.		--	7,460,946
Macdonald Dettwiler		--	2,387,554
Magna International Inc.		--	6,308,343
Manulife Financial Corp.		--	12,035,452
McGraw Hill Cos. Inc.		--	1,031,333
Meridian Gold Inc.		--	5,776,839

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
Merrill Lynch & Co. Inc.		--	336,956
Microsoft Corp.		--	1;896,211
Mohawk Industries Inc.		--	1,717,491
Nabors Industries Ltd.		--	1,077,569
National Bank of Canada		--	4,463,971
Nortel Networks Corp.		--	7,108,071
Occidental Pete Corp.		--	984,926
Omnicom Group Inc.		--	208,278
Pepsico Inc.		--	331,922
Petsmart Inc.		--	1,393,243
Pfizer Inc.		--	260,054
Phelps Dodge Corp.		--	1,473,819
Potash Corporation of Saskatchewan		--	14,411,805
Power Corporation of Canada		--	9,324,510
Power Financial Corp.		--	5,454,113
Praxair Inc.		--	217,265
Precision Drilling		--	18,152,549
Proctor & Gamble Co.		--	1,317,242
Qualcomm Inc.		--	876,009
Quest Diagnostics		--	1,360,209
Research In Motion		--	5,943,310
Rogers Communication		--	5,472,363
Rona Inc.		--	3,358,944
Royal Bank of Canada		--	12,525,336
Saputo Inc.		--	4,476,889
Shoppers Drug Mart		--	7,053,206
SNC -Lavalin Group		--	6,628,865
Spectrum Brands		--	876,993
Suncor Energy Inc.		--	11,703,426
Symantec Corporation		--	2,925,719
Synaptics Inc.		--	564,028
Talisman Energy Inc.		--	14,527 920
Teck Cominco Ltd.		--	7,288,373
Telus Corp.		--	7,794,164
Texas Instruments Inc.		--	258,029
Textron Inc.		--	222,939
3M Company		--	3,309,963
Transcanada Corp.		--	3,121,364
Trican Well Service		--	175,926
Tundra Semiconduct		--	1,343,827
TXU Corp.		--	952,711
United Health Group Inc.		--	2,520,708
US Bancorp Del.		--	351,307
Valero Energy Corp.		--	250,064
Wachovia Corp.		--	295,922

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2006 (unaudited)

Investments	Maturity Date	Interest Rate %	Market Value $
Weatherford International Ltd.		--	3,401,932
West Fraser Timber		--	3,919,851
WestJet Airlines		--	3,195,715
Mortgages And Real Estate:			
Bramalea City Centre		--	6,020,659
Crossroads Shopping Centre		--	3,215,859
KS Equities Inc.		--	3,766,773
Lawson Heights		--	1,357,658
Lougheed Equities		--	221,771
Parkway Office		--	59,188
Production Court		--	6,567,454
Tilbury Equities		--	1,721,170
Short-Term:		--	653,307,558
Total			**$ 2,622,668,444**

Schedule 4
Teachers' Voluntary Contributions Fund
Schedule of Investments and Accrued Interest, As At June 30 (unaudited)

Investments	2006 Total Valued At Market ($000s)	Accrued Interest ($000s)	2005 Total Valued At Market ($000s)	Accrued Interest ($000s)
Pooled Funds	$ 3,551	$ 1	$ 3,659	--
Total	$ 3,551	$ 1	$ 3,659	--

Schedule 5
Voluntary Contributions Fund
Schedule of Investments Acquired, Year Ended June 30, 2006 (unaudited)

Investments	Market Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 113,674
Greystone EAFE Plus Fund	42,331
Greystone US Equities Fund	23,408
Greystone Fixed Income Fund	229,655
SHORT-TERM	**249,584**
TOTAL	**$ 658,652**

Schedule 6
Voluntary Contributions Fund
Schedule of Investments Disposed, Year Ended June 30, 2006 (unaudited)

Investments	Market Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 381,100
Greystone EAFE Plus Fund	30,500
Greystone US Equities Fund	54,100
Greystone Fixed Income Fund	280,901
SHORT-TERM	59,197
TOTAL	**$ 805,798**

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